Title: Need to waive Excise/Custom duties on Naphtha to reduce the price of power in Kerala.

SHRI RAMESH CHENNITHALA (MAVELIKARA): Sir, the fuel used in Kayamukulam Combined Cycle Power Plant of NTPC is Naphtha. Feasibility Report of Naphtha based Kayamkulam Power Plant was prepared in 1994 and PPA was signed in January 1995. At that time, the price of Naphtha was only Rs.6,200 per MT and cost of power was estimated at Rs.2.40 per unit. Present cost of power is estimated to be around Rs.5.00 per unit or more with the prevailing high cost of Naphtha.

The high price of power from Kayamkulam is not at all affordable by Kerala. Therefore, there is an urgent need for Government of India to consider concessions by way of relief of Excise/Customs duties on Naphtha to render the power affordable. Price of power will be increased by Rs.0.44 per unit on account of the component of the Excise/Customs duty. By waiving Excise and Customs duties, price of Power from Kayamkulam Combined Cycle Power Plant could be brought down to considerable extent.